



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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February 16, 1999

Alan R. Bell  
USMX of Utah, Inc.  
1560 Broadway, Suite 880  
Denver, Colorado 80202

Re: Ongoing Maintenance and Monitoring Costs, Goldstrike Mine, USMX of Utah, Inc.,  
M/053/005, Washington County, Utah

*Alan*  
Dear Mr. Bell:

This letter is provided in response to your January 18, 1999 request regarding ongoing reclamation work at the Goldstrike Mine. We believe that the direct costs associated with the maintenance and monitoring requirements for the reclamation of the mine fall within the terms of the Settlement Agreement between the Division of Oil, Gas and Mining and USMX of Utah, Inc.

Accordingly, the Division will continue to make payments to USMX for any direct costs associated with reclamation of the site. The existing state vendor Contract with USMX, number 98-6739, was extended to January 31, 2000 and will continue as the means by which the Division will reimburse such direct reclamation costs to USMX so long as the payment can be made to USMX of Utah, Inc.

The Division can receive invoices and re-direct payments to Mr. Jensen's address in Nevada as long as the checks can be made out to USMX of Utah. If Mr. Jensen can no longer represent USMX, and becomes a third-party contractor, his billings must be paid by USMX, then submitted to the Division as an invoice for payment. The Division cannot directly hire or pay Mr. Jensen as a third-party under our existing contract.

For the Division to pay Mr. Jensen or any other consultant/contractor/vendor directly, a separate contract would have to be written through state Purchasing. As long as USMX can continue to operate under the terms of the Settlement Agreement, we prefer that all reclamation work be performed under the existing contract.



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USMX must submit an invoice to the Division detailing those direct costs for maintenance and monitoring as applicable, with reasonable detail of the work accomplished and copies of invoices paid to other third parties (such as lab analysis costs). Such costs can include direct labor costs and expenses for travel, field sampling and monitoring, periodic inspections of the site, and labor costs and expenses for preparation and reporting of monitoring data, closure plan reports, or other information directly related to reclamation activities, monitoring, maintenance or reporting requirements for the Goldstrike Mine.

To date, the Division has been extremely pleased with the quality of reclamation work accomplished at Goldstrike. Mr. Jensen has done an outstanding job in getting the work done and keeping the Division current. Please also thank Ronnie Torrez for her patience and help in handling the billing process.

Should you have any questions regarding invoices or billing information please call Randy Harden at 801 538-5285 for clarification.

Sincerely,



Lowell P. Braxton  
Director

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